

Business Transformation: Incrementally Creating Revolutionary Results from Evolutionary Change

“To adjust the condition of the Army to better meet the requirements of the next century, we articulate this vision: ‘Soldiers on point for the nation transforming this, the most respected army in the world, into a strategically responsive force that is dominant across the full spectrum of operations.’ With that overarching goal to frame us, the Army will undergo a major transformation...” - Army Chief of Staff General Eric K. Shinseki, October 1999.

Achieving this vision requires more than simply Operational Transformation; it also requires Business Transformation. With the arrival of Secretary Harvey, Business Transformation has now has a new and stronger emphasis, and is supported by the Army Posture Statement for 2005, which identifies business transformation as a strategic imperative. The focus of Business Transformation is to support the warfighter through improving the effectiveness (doing the right things) and efficiency (doing those things well) of how the business of the Army is conducted, resources allocated, and performance measured.

In the short term these transformation initiatives will assist in satisfying the requirements of Program Budget Decision 753 of \$2.5B savings per year of the POM. In the long term, resources harvested from these efforts will be used to continue the transformation of the Army's business processes as well as provide additional warfighting capability. The following are some of the initiatives already underway.

Lean/Six Sigma - This is a best business practice process improvement tool that through the combination of six sigma techniques with Lean Manufacturing techniques provides a tool whose application can lead to both greater efficiency and increased quality or effectiveness. This approach has been adapted for use in management and administrative areas and processes as well as traditional industrial operations. The Army has aggressively pursued this approach and has conducted executive level training, identified high payoff process in which to employ the lean six sigma approach, and has completed a first round of process reviews including the Planning, Programming, Budgeting and Execution process and the processes and functions associated with the Office of the Administrative Assistant to the Secretary of the Army. The Army anticipates at least a 30 percent reduction in personnel resources required in these two process areas based on employment of the Lean Six Sigma process.

Information Management Systems Portfolio Management - This process takes a disciplined and logical approach to information technology enabling processes by reviewing these IT solutions against required capabilities, identifying all IT that supports a given capability and concurrently mapping these systems to the processes associated with the capability to determine redundancies and gaps. In addition to providing the management tool to eliminate redundant systems and applications, this process also allows the enforcement of financial statutory requirements associated with information management systems. The cost savings from the elimination of redundant systems will contribute significantly to the funding of IT modernization and enabling business process re-engineering initiatives.

Institutional Army Adaptation - This effort is a critical review of the institutional or business side of the Army with the objective of focusing the business processes and organization structure to provide maximum effective support to the operational side of the Army with maximum efficiency. Organizational constructs such as the Training and Doctrine Command and the Army Materiel Command are being assessed to determine the business processes that are core and essential to the missions of these commands and from that the optimum organizational structure required to execute these processes. As with the other initiatives, significant human resource savings are expected to be realized from this comprehensive review and re-engineering of the Army's most fundamental training and sustainment processes and organizational structures.

Business Initiatives Council - This program has been in place since 2001 and has already generated significant improvements. It initially consisted of both a DoD component and an Army component, but currently is focused within the Service. Initiatives undertaken by the Business Initiatives Council (BIC) have traditionally focused on topic areas such as privatization of base housing and guest lodging, more cost effective approaches to environmental characterization and clean up, more efficient methods of providing for household moves for soldiers and a number of other projects in that vein. In addition, initiatives have been identified that are function or task focused but have had similar cost effectiveness impacts. This program looks across the Army and actively encourages the participation of everyone at all levels of the Army to substantively improve the methods by which the Army operates. In the case of the BIC, these are not confined to the realm of the Institutional Army, but can and have included numerous initiatives focused on delivering operational capability.

Base Realignment and Closure - While BRAC is concerned with the alignment of infrastructure with Army and Joint current and future requirements, there are opportunities to identify other efficiencies and process improvements leveraging the BRAC analyses and recommendations. For example, organizations that are relocating may be analyzed to determine if processes performed by the organization can be made more effective and efficient thereby reducing the personnel and associated infrastructure requirements. To perform these analyses before relocating can conserve transportation funding as well as limit the potential construction or modification requirements at the receiving location.